MANITOBA

ANNUAL REPORT

1982-83

The Public Trustee

ATTORNEY-GENERAL OF MANITOBA
WINNIPEG R3C 0V8

To Her Honour,
Pearl McGonigal,
Lieutenant-Governor for the Province of Manitoba.

Madame:

May it please your Honour, it is my pleasure to present to your Honour the Annual Report of the Public Trustee for the fiscal year ending March 31, 1983.

Yours sincerely,

Roland Penner

Roland Penner, Q.C.

PUBLIC TRUSTEE OF MANITOBA

Reply To: _____
File No.: _____
Telephone: _____

7th Floor, Woodsworth Building
405 Broadway Avenue
Winnipeg, Manitoba
R3C 3L6

The Honourable The Attorney-General
Government of Manitoba
Legislative Building
Winnipeg, Manitoba
R3C 0V8

Dear Mr. Attorney,

In terms of the provisions of Section 13.2 of The Public Trustee Act, I submit this First Annual Report for the period ending March 31st, 1983.

The Report of the Provincial Auditor dated June 23rd, 1983 is attached hereto as Appendix "A".

Yours truly,

J. D. RAICHURA, Q.C.
Public Trustee

Table of Contents

Introduction 4

Dimensions 4

Revenue Profile 4

Statistical Review 5

General Observations 6

Appendix "A" 7

Introduction

Since this is the first report, it is appropriate to provide some background information concerning this office.

The Public Trustee Act of Manitoba was proclaimed in force as of the first day of February, 1973. Under this Act, the Public Trustee of Manitoba is constituted a corporation sole and is required to perform the following duties.

(1) Committee of Estate and Person of mentally disordered persons under The Mental Health Act.

(2) Official Guardian and next friend for minors.

(3) Official Administrator.

(4) Trustee of funds belonging to minors.

(5) Persual and approval of all infant settlements in the Province.

(6) Trustee of Charitable Trusts as may be approved by the Lieutenant Governor in Council.

Prior to the enactment of The Public Trustee Act, the function of committee under The Mental Health Act was performed by the Administrator of the Estates of Mentally Disordered Persons. This office and title has since been abolished.

The functions of Official guardian and Official Administrator were in the hands of certain trust companies until the enactment of The Public Trustee Act. These trust companies were happy to be relieved of these duties as they found them to be onerous and also unprofitable. These functions are now being performed by the Public Trustee's Estates and Trusts Division. The Public Trustee has managed to earn revenue in excess of expenditure from this area of operation.

One interesting observation that should be made with respect to the committeeship of person is that, except for the Province of Quebec, Manitoba is the only jurisdiction to combine administration of estates with personal guardianship of mentally disordered persons. Most other jurisdictions lack this type of guardianship. The Province of Alberta is the only jurisdiction with the Office of the Public Guardian, separate and apart from the Office of the Public Trustee, to handle guardianship of person. The reason and origin of the inclusion of the word "person" in our statute is obscure. It is doubtful that the lawmakers at that time realized the extremely involved and complicated nature of duties that would result. As the guardian of several thousand mentally disordered persons, the Public Trustee has to make personal decisions in the area of medical consent, elective medical procedures, representation in divorce, custody and separation proceedings, defence of criminal proceedings and a host of other matters affecting the personal rights of his wards. As stated before, this additional responsibility of the guardianship of person is unique and of substantial benefit to the wards of the Public Trustee of Manitoba.

The Public Trustee of Manitoba

Dimensions

1982-1983

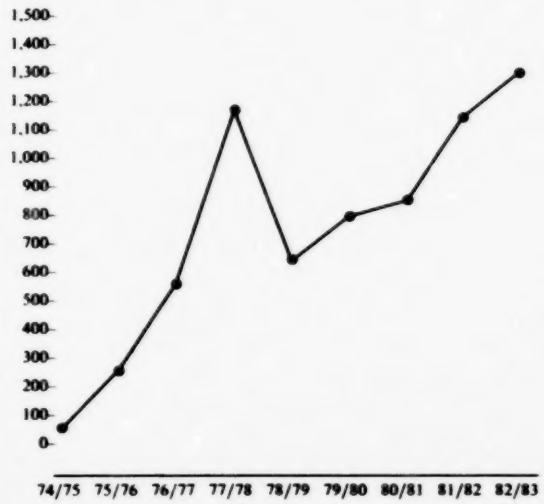
Number of Subordinate Staff:	53
Annual Operating Budget:	$ 1,196,400.00
Annual Revenue:	1,364,200.00
Assets under Administration:	$52,000,000.00
Number of Estate, Trust and Legal Files:	6799

1973 - 1974 Comparison

Number of Subordinate Staff:	28
Annual Operating Budget:	$ 232,600.00
Annual Revenue:	102,000.00
Assets under Administration:	$10,000,000.00
Number of Estate, Trust and Legal Files:	4440

The Public Trustee of Manitoba

Revenue Profile



Year	($000) Revenue	Revenue as % of Expenditure
1974/75	$ 93.4	26.9%
1975/76	258.2	53.7%
1976/77	549.3	99.2%
1977/78	1,191.5*	186.5%
1978/79	653.7	92.1%
1979/80	819.7	100.6%
1980/81	885.8	90.8%
1981/82	1,170.5	102.5%
1982/83	1,364.2	102.1%

**Includes non-recurring collection of Prior Years Fees totalling $586.2.*

The Public Trustee of Manitoba

Comparision of Trust Division Activity

as at March 31

	1980	1981	1982	1983
Dollars under administration:	$7841.3	$10,405.6	$13,297.1	$16,165.2
Number of Accounts				
Deceased Estates:	538	723	730	752
Infants Trusts:	503	615	737	805
	1041	1338	1467	1557
Number of Trust Officers:	4	5	6	6
Caseload per Trust Officer:	260	268	245	260
Number of Estates Officers:	2	2	1	1
Number of Secretarial/ Clerical Support:	3	4	4	4
Caseload per Secretarial/ Clerical Support:	347	335	367	389
Average number of accounts opened per month:	25.1	36	33.2	30.7
Average number of accounts closed per month:	11.1	13	21.8	22.7

The Public Trustee of Manitoba

Comparison of Mental Health Division Activity

as at March 31

	1980	1981	1982	1983
Dollars under administration:	$22,027.0	$24,182.5	$30,253.4	$36,263.4
Number of accounts with assets:	2871	2923	3028	3065
Total number of accounts:	4712	4786	4661	4916
Number of Estates Managers:	6	6	7	7
Caseload per Estates Manager:	479/785	487/792	433/666	438/702
Number of Secretarial Support:	6	6	7	6/7
Caseload per Secretarial Support:	479/785	487/792	433/666	511/819 438/702
Average number of Estates opened per month:	102.2	100.5	108.0	105.9
Average number of Estates closed per month:	63.8	51.2	51.8	69.5

The Public Trustee of Manitoba

Comparison of Legal Department Activity

as at March 31

	1981	1980	1982	1983
Number of files at beginning of year:	166	203	253	254
Number of files opened:	206	234	250	348
Subtotal:	372	437	503	602
Number of files closed:	169	184	249	276
Number of files at year end:	203	253	254	326

General Observations

As will be seen from the preceding statistics, the office has grown substantially in the last nine years. In spite of efforts to encourage the relatives and other interested persons to assume personal administration and trust responsibilities, the growth pattern indicates a steady and relentless increase in estate work. Fortunately, this uncontrollable increase in volume has resulted in corresponding increase in revenue. Unlike other services, the increased volume has not been a burden on the tax dollar.

All decisions with respect to revenue and investments are made by the Public Trustee. The tariff of fees for revenue purposes is constantly under review and all legitimate expenses are charged against the estates as disbursements. The requirement of the law with respect to recovery of reasonable compensation are faithfully observed. In the entire nine years of operation, the charges of this office have been questioned in only four matters and even then, the charges were found by the Court as reasonably claimed.

It is not clear when the balance will be struck between opening and closing of estate and trust files. Statistically, there is evidence that the population of elderly persons is on the rise in North America. It would be safe to ssume that this increase will have its effect on the operation of the office and therefore it will become necessary to allow for the increase in administrative and trust services for that portion of elderly population that will need the services of this office.

Although every effort is made to recover costs and expenses, the fact that the office is there to provide public service and is an appointment of last resort is not ignored or overlooked. The care that is given and the quality of service that is provided is always consistent and in terms of the law and is not allowed to be affected by the worth of the estate or individual.

Government of the Province of Manitoba

The Public Trustee of Manitoba

Auditor's Report and Financial Statements
for the year ended March 31, 1983

PROVINCE OF MANITOBA
PROVINCIAL AUDITOR

MANITOBA

PROVINCE OF MANITOBA
PROVINCIAL AUDITOR

The Public Trustee of Manitoba

Report of the Provincial Auditor's Office

We have examined the financial statements, being Exhibits A and B, of The Public Trustee of Manitoba for the fiscal year ended March 31, 1983. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of affairs of the estates and trusts under jurisdiction of the Public Trustee as at March 31, 1983 and the cash receipts and disbursements for the year then ended in accordance with the accounting policies stated in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

W. K. Ziprick, C.A.
Provincial Auditor.

June 23, 1983,
Winnipeg, Manitoba.

Government of the Province of Manitoba

The Public Trustee of Manitoba

Exhibit A

Balance Sheet of estates and trusts under administration
as at March 31, 1983

Assets

	1983	1982
Cash on hand and in bank:		
General	$ 216,651	$ 312,195
Provincial funds	4,395	3,054
	221,046	315,249
Expenditures recoverable from estates and trusts (Note 1)	3,104	1,946
Common fund investments (Notes 1 and 6)	34,649,886	24,693,905
Term deposits and investment certificates, at par value	3,659,563	6,509,654
Government of Canada and other bonds, at par value	9,950,918	8,509,454
Shares of capital stock and mutual funds (Note 1)	463,125	22,029
Annuity contracts (Note 1)	133,150	10,246
Accounts receivable (Note 1)	94,948	49,037
Rentals receivable (Note 1)	2,889	9,830
Notes receivable, principal (Note 1)	58,560	104,677
Mortgages and agreements receivable (Note 1)	158,698	192,098
Interests in other estates (Note 1)	3,562	1,411
Real estate (Note 1)	3,045,713	2,895,827
	$52,445,162	$43,515,363

Liabilities

	1983	1982
Liabilities of estates:		
Mortgages, notes and agreements payable	$ 1,145	$ 50,465
Public Trustee, fees payable (Note 2)	7,843	9,489
	8,988	59,954
The Province of Manitoba:		
The Public Trustee accountable advance	7,500	5,000
Estates and trusts under administration: (Note 1)		
Excess of recorded value of assets over liabilities:		
The Mental Health Act	36,263,448	30,242,655
The Public Trustees Act	16,165,226	13,207,754
	$52,445,162	$43,515,363

Government of the Province of Manitoba

Exhibit B

The Public Trustee of Manitoba

Statement of Receipts and Disbursements
for the year ended March 31, 1983
(with 1982 figures for comparison)

Receipts

	1983	1982
Funds held by estates and trusts brought under administration	$ 4,521,321	$ 3,365,647
Realization of equities in other estates	508,130	369,124
Pensions, compensation and assistance	7,076,205	5,884,471
Sickness, disability and other insurance benefits	1,341,698	914,864
Collections on account of:		
Accounts receivable	52,043	18,045
Rentals and leases receivable	173,237	203,132
Mortgages and agreements receivable	14,444	36,517
	239,724	257,694
Sales of chattels	130,346	148,881
Sale of real estate	955,695	812,441
Interest — bonds and investment certificates	6,032,848	4,891,269
Dividends	31,549	12,714
Bank interest	4,750	4,004
Statutory fees collected (Note 3)	8,502	10,035
Total receipts	20,850,768	16,671,144
Cash on hand and in bank at beginning of year	312,195	280,749
	$21,162,963	$16,951,893

Disbursements

	1983	1982
Payments on account of:		
Accounts payable discharged	$ 66,296	$ 154,444
Mortgages and agreements payable	55,125	11,289
Real estate purchases	1,240	52,026
	122,661	217,759
Maintenance:		
Maintenance incurred in hospitals prior to June 30, 1958	405,215	447,952
Board, room and other expenses (Note 4)	4,715,220	3,817,937
	5,120,435	4,265,889
Support of dependents	65,333	56,950
Preservation of estates:		
Realty and income taxes	618,047	453,268
Insurance	23,146	21,813
Repairs	27,607	27,179
Sundry	361,012	317,689
	1,029,812	819,958
Administration and passing of accounts (Note 2)	1,356,097	1,163,092
Burial expenses	383,540	288,574
Estates and trusts released from administration	4,282,384	2,966,002
Statutory fees remitted (Note 3)	8,502	10,035
Total disbursements, before purchase of securities	12,368,764	9,788,259
Purchase of securities, less sale or redemption of securities (1983 — $38,823,492; 1982 — $15,347,863)	8,577,548	6,851,439
	216,651	312,195
Cash on hand and in bank at end of year	$21,162,963	$16,951,893

Government of the Province of Manitoba

The Public Trustee of Manitoba

Notes to Financial Statements
March 31, 1983

1. Significant Accounting Policies

The Statement of Receipts and Disbursements reflects cash transactions which have occurred during the year for estates and trusts under administration.

The Balance Sheet reflects a position on a modified accrual basis including all known assets and liabilites of the estates and trusts, except for chattels, accrued investment earnings, and current liabilities.

The net recorded value of the estates and trusts under administration is governed by the valuation criteria described on the Balance Sheet as well as the following evaluation and accounting policies:

a) Expenditures Recoverable from Estates and Trusts

Expenditures recoverable from estates and trusts represent disbursements made on behalf of estates or trusts for which funds were not immediately available; these expenditures will be charged to the estates or trusts concerned in due course, when funds become available.

b) Common Fund Investments

Investments of the common fund, established pursuant to Section 7.1(1) of the Public Trustee Act, are restricted to securities and loans authorized under the Trustee Act. Common fund investments are recorded at cost, adjusted for the amortization of premiums or discounts on purchase on a straight line basis over the remaining term to maturity of the security. Earnings are distributed semi-annually to the individual estates and trusts on a pro rate basis.

c) Shares of Capital Stock and Mutual Funds

(i) Mental Health and Infant Trusts

The basis of valuation of shares assumed under administration prior to December 22, 1971 is at Valuation Day prices (market value as at December 22, 1971), except shares for which no Valuation Day price exists. Shares are then recorded at cost, if available, or at nominal values.

Shares assumed under administration since December 22, 1971 have been recorded at the market value as at the date of assumption or at nominal values where market value is not readily available.

All shares purchased by the trustees are recorded at cost.

(ii) Estates of Deceased Persons

Shares forming part of estates of deceased persons assumed under administration have been recorded at the market value as at the date of death. Shares purchased by the Public Trustee are recorded at cost. Where no market value exists, nominal values are used.

d) Annuity Contracts

Annuity contracts include several accounts recorded at a nominal value of $1.00 each.

e) Accounts Receivable and Rentals Receivable

Accounts receivable and rentals receivable include several accounts recorded at a nominal value of $1.00 each.

f) Notes, Mortgages and Agreements Receivable

Notes receivable and mortgages and agreements receivable reflect the amount of principal and interest due and unpaid at the time each estate was brought under administration, less any payments subsequently received. Interest due and accured during administration is not recorded by the Public Trustee until such time as it is received.

g) Interests in Other Estates

Interest in other estates include several accounts recorded at a nominal value of $1.00.

h) Real Estate

Real Estate is valued at a multiple of five times the assessed value on the property tax notice; burial plots, mines and mineral rights, and mobile homes have been recorded at a nominal value of $1.00 each.

2. Administration Fees

Under Section 10 of the Public Trustee Act, the Public Trustee may determine reasonable charges based on the services provided to the estates and trusts under his administration. Charges are made annually on the aforementioned basis to each estate and trust on its anniversary date of enrollment with the Trustee, except those estates and trusts which do not have sufficient funds, where the charges are either reduced or not made. These fees are remitted to the Province of Manitoba.

3. Statutory Fees

Under Section 84(3) of the Queen's Bench Act and Section 82 of The Surrogate Courts Act, the Public Trustee of Manitoba provides legal services for estates and trusts not under his administration. Fees for these services are recorded as receipts and remitted to the Province of Manitoba.

4. Board, Room and Other Expenses

Board, room and other expenses reflect payments made for current general living expenses, including clothing, comforts, medical, nursing home costs, etc., during periods of supervision, probation and hospitaliztion.

5. Administration Costs

Administration costs of the Public Trustee of Manitoba are paid out of appropriations of the Department of Attorney-General and are not reflected in these financial statements. Where appropriate these costs are recovered from estates and trusts in a manner as explained in Note 2.

6. Common Fund — Summary of Investments

The investments of the Common Fund consist of the following:

	1983	1982
Term deposits, investment certificates and treasury bills	$ 8,796,395	$19,345,600
Government of Canada bonds	25,853,491	5,348,305
	$34,649,886	$24,693,905

POOR

QUALITY

ORIGINAL